

Amendment No. 1 to HB1978

Eldridge  
Signature of Sponsor

**AMEND Senate Bill No. 1967**

**House Bill No. 1978\***

by deleting all language after the enacting clause and substituting instead the following:

SECTION 1. Tennessee Code Annotated, Title 50, is amended by adding the following new chapter:

**50-10-101.**

As used in this chapter:

(1) "Marketplace contractor" means any individual, corporation, partnership, sole proprietorship, or other business entity that:

(A) Enters into an agreement with a marketplace platform to use the platform's online-enabled application, software, website, or system to receive connections to third-party individuals or entities seeking services in this state; and

(B) In return for compensation from the third-party or marketplace platform, offers or provides services to the third-party individuals or entities upon being given an assignment or connection through the marketplace platform's online-enabled application, software, website, or system; and

(2) "Marketplace platform" means a corporation, partnership, sole proprietorship, or other business entity operating in this state that:

(A) Offers an online-enabled application, software, website, or system that enables the provision of services by marketplace contractors to third-party individuals or entities seeking services; and

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(B) Neither directly nor through any related party derives any benefit from work performed by marketplace contractors other than a subscription or use fee for placing marketplace contractors in assignments or otherwise providing connections.

**50-10-102.**

(a) A marketplace contractor is an independent contractor and not an employee of the marketplace platform for all purposes under state and local laws, rules, ordinances, and resolutions if the following conditions are set forth in a written agreement between the marketplace platform and the marketplace contractor:

(1) The marketplace platform and marketplace contractor agree in writing that the contractor is an independent contractor with respect to the marketplace platform;

(2) The marketplace platform does not unilaterally prescribe specific hours during which the marketplace contractor must be available to accept service requests from third-party individuals or entities. If a marketplace contractor posts the contractor's voluntary availability to provide services, the posting does not constitute a prescription of hours for purposes of this subdivision (a)(2);

(3) The marketplace platform does not prohibit the marketplace contractor from using any online-enabled application, software, website, or system offered by other marketplace platforms;

(4) The marketplace contractor may, at its discretion, enlist the help of an assistant to complete the services, and the marketplace platform may require the assistant to complete the marketplace platform's standard registration and vetting process. If the marketplace contractor enlists the help of an assistant, the marketplace contractor, not the marketplace platform, is responsible for paying the assistant;

(5) The marketplace platform does not restrict the marketplace contractor from engaging in any other occupation or business;

(6) The marketplace platform does not require marketplace contractors to use specific supplies or equipment;

(7) The marketplace platform does not control the means and methods for the services performed by a marketplace contractor by requiring the marketplace contractor to follow specified instructions governing how to perform the services. However, the marketplace platform may require that the quality of the services provided by the marketplace contractor meets specific standards and requirements;

(8) The agreement or contract between the marketplace contractor and the marketplace platform may be terminated by either the marketplace contractor or the marketplace platform with or without cause;

(9) The marketplace platform provides no medical or other insurance benefits to the marketplace contractor, and the marketplace contractor is responsible for paying taxes on all income derived as a result of services performed to third parties from the assignments or connections received from the marketplace platform; and

(10) All, or substantially all, payment to the marketplace contractor is based on performance of services to third parties who have engaged the services of the marketplace contractor through the marketplace platform.

(b) This section does not apply to any service that is the type of service identified in 26 U.S.C. § 3306(c)(7) or (c)(8).

**50-10-103.**

Nothing in this chapter applies to:

- (1) A transportation network company, as defined in § 65-15-301; or
- (2) A construction services provider, as defined in § 50-6-901.

SECTION 2. This act shall take effect July 1, 2018, the public welfare requiring it, and shall apply to services provided through a marketplace platform on or after that date.